



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Provide Direction with Regard to Specific Elements of the 2009-10 Budget Regarding Animal Shelter staffing via a PALS Contract, Fire Inspection Services, and Conference and Visitors Bureau Funding Formula

MEETING DATE: May 6, 2009

PREPARED BY: Deputy City Manager

RECOMMENDED ACTION: Provide direction with regard to the following specific elements of the 2009-10 budget:

- 1) Should Lodi entertain a contract with PALS to provide staff and volunteer coverage at the animal shelter in exchange for animal license and related fees?
- 2) Should fire inspection services be combined with Community Development inspection services in order to deliver more efficient public service and streamline costs?
- 3) Should the funding for the Conference and Visitors Bureau be adjusted to reflect the increased Flag City revenue?

BACKGROUND INFORMATION: In preparing the 2009-10 budget, staff has identified a number of program issues that need direction from the Council prior to completing budget preparation.

The first program issue involves providing staff coverage at the Animal Shelter. There is inadequate staff to provide coverage during posted office hours at the animal shelter. The City Manager has looked internally to find available resources to provide coverage. Fiscally, the City is constrained, as several sworn Police Officer positions are currently vacant due to lack of funding. Consideration has been given to re-assigning existing staff to cover the animal shelter office hours but not implemented due to the negative effects of then leaving other departments short staffed. PALS is a non-profit group that promotes animal adoptions, assists shelter staff with the care and grooming of animals, and assists with shelter cleaning, among other functions. The City and PALS have entered into preliminary discussions to provide staff for the animal shelter via a services contract. The basic business points of any resulting contract would include ensuring that personnel are available during posted business hours and that PALS begin billing for license renewal fees. It is expected that the costs of any resulting contract would be funded by animal license and shelter fees. The benefits of a proposed contract include ensuring adequate hours of operation, timely license renewal, increased adoptions, and better customer service. Without this proposed contract, it is expected that the current level of inadequate coverage would remain in place.

The second program issue involves placement of Fire Inspection Services within the City. Fire inspection is currently handled by a Fire Inspector housed within the Fire Department, and all other city development inspections are handled by the Community Development Department. The Fire Inspector

APPROVED: _____

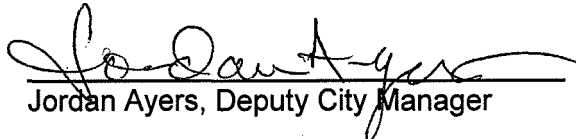
Blair King, City Manager

has accepted the two-year retirement enhancement and will be retiring soon. The Fire Inspector position, or another position within the Fire Department, must remain vacant. The City Manager is proposing to consolidate the Fire Inspection services with Building Inspection within the Community Development Department. Consolidation of inspection services is expected to enhance customer service as the City moves to more of a streamlined and less expensive "one-stop" inspection function. Additionally, without this consolidation, it is expected that a Building Inspector II will be laid-off, then the City would hire a new Fire Inspector. This consolidation will also provide service at a lower cost since a Fire Inspector costs the City and development community approximately \$125,000 annually (plus a Public Safety retirement) whereas a Building Inspector II costs about \$89,000 with a miscellaneous retirement.

The third program issue involves funding for the Lodi Conference and Visitors Bureau (CVB). The CVB is currently funded by a combination of funds generated from the Lodi Area Tourism Business Improvement District (LTBID) and a contribution from the General Fund. To enhance the CVB funding, the Flag City hotels were recently added to the LTBID assessment. The funding from these hotels increases the CVB budget. The City desires to see the CVB prosper but feels it is appropriate to reduce the General Fund contribution as the overall budget for the CVB grows. The City Manager is proposing that the General Fund contribution be reduced by a ratio of the increase of revenue due to the addition of Flag City motels.

FISCAL IMPACT: Unknown at this time

FUNDING AVAILABLE: Not Applicable


Jordan Ayers, Deputy City Manager

2009/10 Budget Prerequisite Issues

City Council
May 6, 2009

Issues

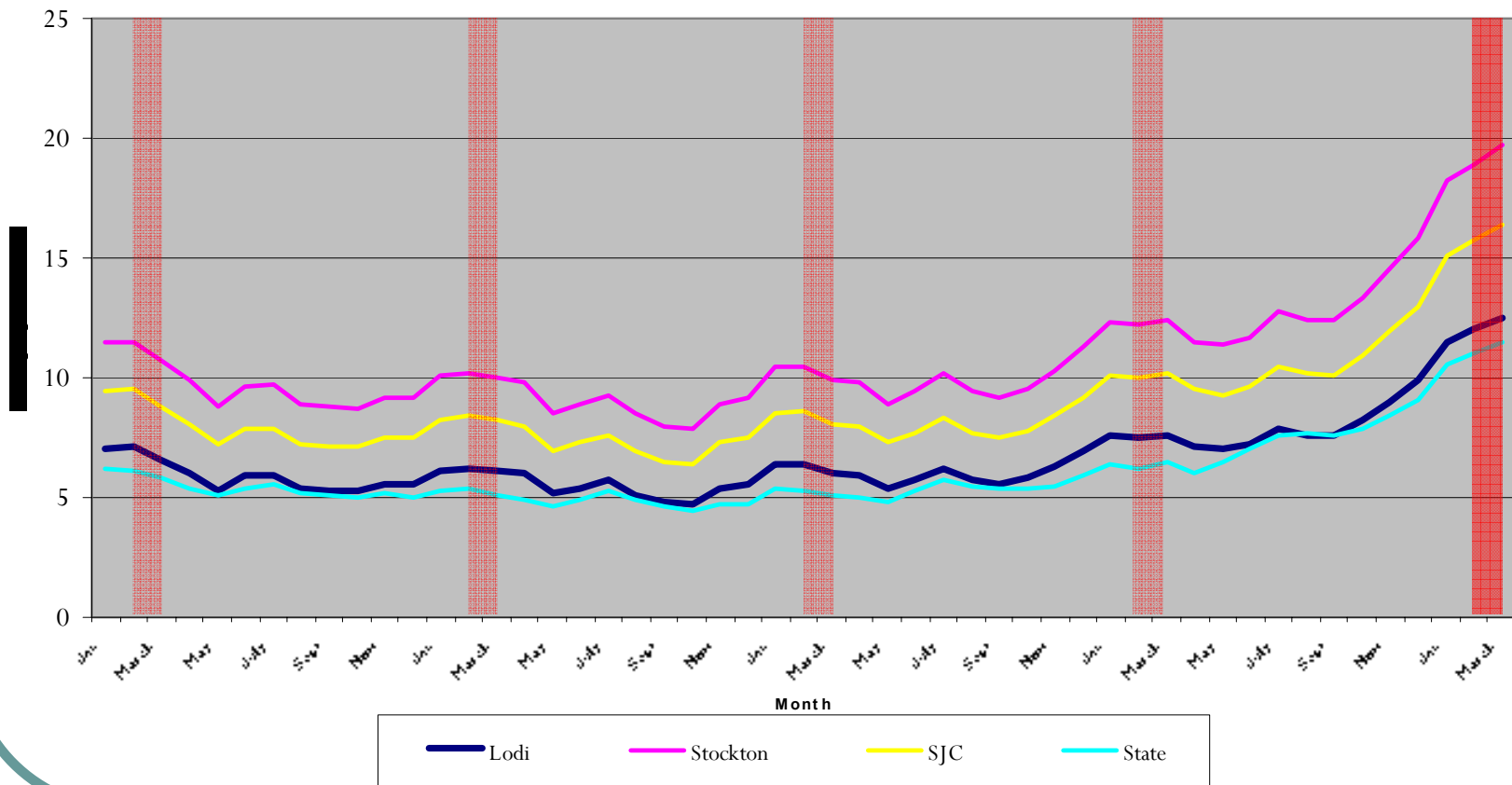
- Budget Background
- PALS Contract
- Fire Inspection Services
- Conference and Visitors Bureau Funding Formula

Budget Background

- Extraordinary Financial Times
 - General Fund – almost 15% reduction within 24 months
 - Budget adopted twice in 2008/09
 - November - \$1.8 million revenue reduction
 - Mid year - \$1.4 million budget adjustments
- Unemployment numbers
 - Lodi – 12.5%
 - Stockton – 19.7%
 - California – 11.2%
- Sales tax decline – 16.8% quarterly, year over year
- Expenditures will exceed revenues in FY 2008/09 without reductions

Job market continues to worsen

Unemployment rates, Jan. 2005-March 2009



PALS Contract

- Goal: Provide public service in a cost effective manner
- Negotiating a contract with PALS to operate the front office at the Animal Shelter
- Basic Business Points
 - Maintain posted business hours
 - Mail license renewals
 - Funded by animal license and shelter fees

PALS Contract

- **Benefits**

- Ensures office is open during posted business hours
- Timely license renewals
- Increased adoptions
- Effective use of City Animal Shelter staff
- Better customer service

Fire Inspection Services

- Propose to provide Fire Inspection services with Community Development Building Inspectors
 - Consolidates customer inspections in one department
 - Streamlines services
 - Improves efficiency
 - Will save one position in Community Development
- Fire Inspector is retiring and position must be left vacant

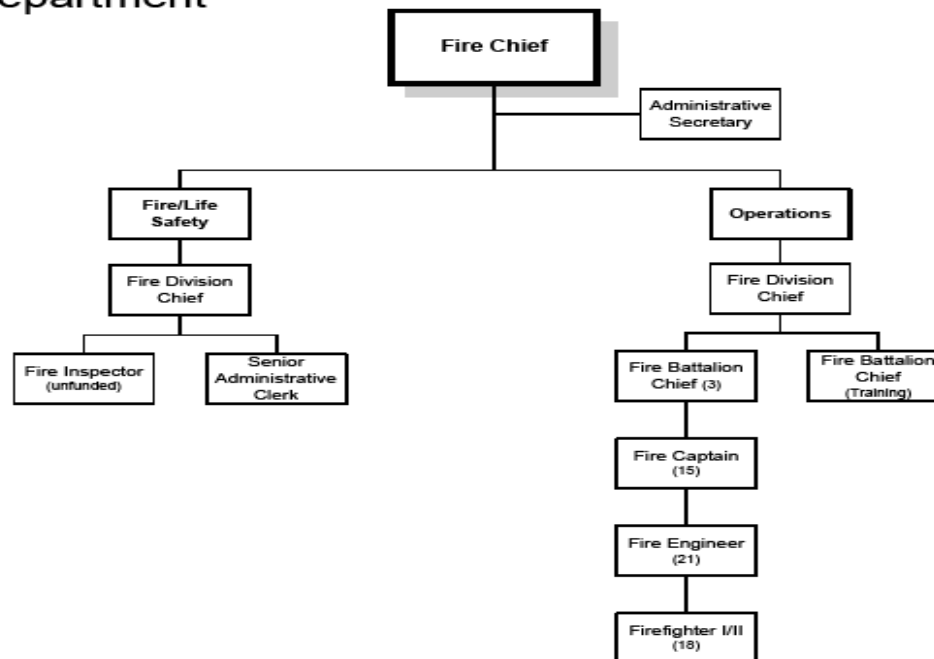
Fire Inspection Services

- Maximize existing position rather than hiring a replacement position
- Cost savings (Fire Inspector \$124,850 vs. Building Inspector II \$88,500)
- Continue to show Fire Inspector in Fire organization with no funding

Fire Inspection Services

- Fire Department Organization Chart

Fire Department

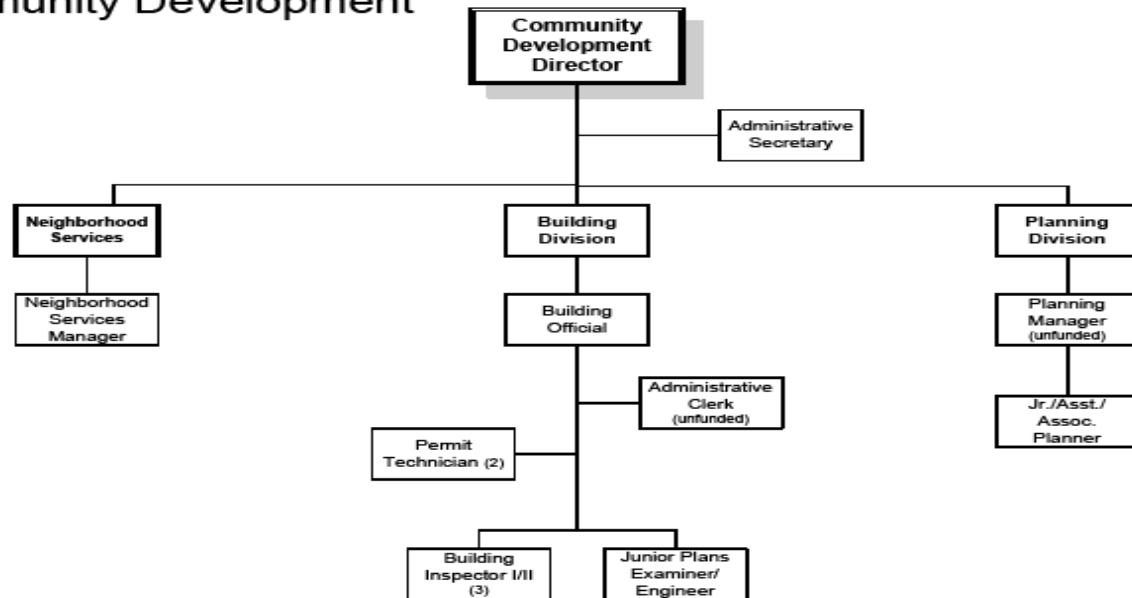


FY 2009-2010

Fire Inspection Services

- Community Development Organization Chart

Community Development



FY 2009-2010

Conference and Visitors Bureau Funding Formula

- Currently funded by LTBD and General Fund contribution
 - Added Flag City hotels recently to LTBD
 - City sees no TOT increase from this addition
- Desire to balance General Fund support for tourism promotion with other economic development activities

Conference and Visitors Bureau Funding Formula

- Proposed formula allocates 19% of TOT collections to the CVB

Budget and Finance Committee Action

- PALS Contract
 - Approved as presented 5-0 vote
- Fire Inspection Services
 - Approved as presented 5-0 vote
- CVB Funding Formula
 - Approved as presented 5-0 vote